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July 23, 2008

Edwin Payne
East Daviess County Water Association, Inc.
9210 Highway 144
Philpot, KY 42366

CERTIFICATE OF SERVICE

RE: Case No. 2008-00241
East Daviess County Water Association, Inc.

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on July 23, 2008.

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF EAST DAVIESS COUNTY WATER) CASE NO. 2008-00241
ASSOCIATION)

ORDER

On June 30, 2008, East Daviess County Water Association ("East Daviess") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure authorized by KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. East Daviess purchases water from Owensboro Municipal Utilities ("Owensboro").
2. Owensboro notified East Daviess that, effective with its June 1, 2008 billing, the wholesale rate to East Daviess would increase from \$1.25 per 1,000 gallons to \$1.36 per 1,000 gallons.
3. East Daviess proposed a purchased water adjustment factor of \$0.13 per 1,000 gallons.
4. *During the 12 months ended May 2008, East Daviess purchased 315,964,000 gallons of water from Owensboro, and it sold 274,731,214 gallons. The increase in the cost of purchased water is \$34,756, resulting in a purchased water adjustment factor of \$0.13 per 1,000 gallons.*

5. The purchased water adjustment factor of \$0.13 per 1,000 gallons is fair, just, and reasonable and should be approved.

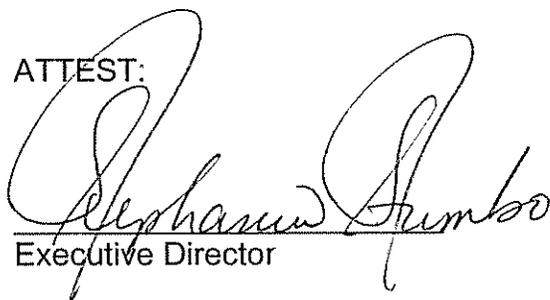
IT IS THEREFORE ORDERED that:

1. The rates proposed by East Daviess are approved.
2. The purchased water adjustment factor of \$0.13 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after July 29, 2008.
4. Within 20 days of the date of this Order, East Daviess shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 23rd day of July, 2008.

By the Commission

ATTEST:



Stephen Jumbo
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00241 DATED JULY 23, 2008

	New Rate	Base Rate
Owensboro		
Purchases in gallons	315,964,000	315,964,000
Volumetric rate	<u>\$ 1.36 /1,000</u>	<u>\$ 1.25/1,000</u>
	\$429,711.04	\$394,955.00
	Increased water cost	\$ 34,756.00

Increased water cost	\$34,756.00
Divided by gallons sold	<u>274,731,214</u>
Purchased water adjustment factor	\$0.13 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00241 DATED JULY 23, 2008

The following rates and charges are prescribed for the customers in the area served by East Daviess County Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000 gallons	\$14.35	Minimum Bill
Next	4,000 gallons	4.85	per 1,000 gallons
Next	44,000 gallons	3.90	per 1,000 gallons
Over	50,000 gallons	3.20	per 1,000 gallons

3/4" Meter

First	3,000 gallons	\$19.20	Minimum Bill
Next	3,000 gallons	4.85	per 1,000 gallons
Next	44,000 gallons	3.90	per 1,000 gallons
Over	50,000 gallons	3.20	per 1,000 gallons

1" Meter

First	6,000 gallons	\$33.75	Minimum Bill
Next	44,000 gallons	3.90	per 1,000 gallons
Over	50,000 gallons	3.20	per 1,000 gallons

1 1/2" Meter

First	10,000 gallons	\$49.35	Minimum Bill
Next	40,000 gallons	3.90	per 1,000 gallons
Over	50,000 gallons	3.20	per 1,000 gallons

2" Meter

First	20,000 gallons	\$88.35	Minimum Bill
Next	30,000 gallons	3.90	per 1,000 gallons
Over	50,000 gallons	3.20	per 1,000 gallons

LEAK ADJUSTMENT RATE: \$2.05 per 1,000 gallons

WHOLESALE WATER RATE:

Southeast Daviess Water District \$ 1.63 per 1,000 gallons